



**Federal Deposit Insurance Corporation**  
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**Financial Institution Letter**  
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## ***SUPERVISORY INSIGHTS* JOURNAL**

### **Winter 2010 Issue Now Available**

**Summary:** The Winter 2010 issue of *Supervisory Insights* features articles of critical interest to examiners, bankers, and supervisors: a discussion of the role of trust preferred securities during the financial crisis; an overview of best practices relating to agricultural lending and effective management of agricultural credit concentrations; a summary of recent results from the FDIC's *Credit and Consumer Products/Services Survey*; and a discussion of the development of the senior life settlements (SLS) market and the significant risks associated with SLS transactions.

The publication is available at

<http://www.fdic.gov/regulations/examinations/supervisory/insights/index.html>.

**Distribution:**

FDIC-Supervised Institutions

**Suggested Routing:**

Chief Executive Officer  
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**Related Topics:**

Trust Preferred Securities  
FDIC's Credit and Consumer Products/Services Survey  
Agricultural Lending  
Senior Life Settlements

**Attachment:**

None

**Contact:**

Kim E. Lowry, Managing Editor  
([klowry@fdic.gov](mailto:klowry@fdic.gov) or 202-898-6635)

**Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2010/index.html](http://www.fdic.gov/news/news/financial/2010/index.html).

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Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

**Highlights:**

- "Trust Preferred Securities and the Capital Strength of Banking Organizations" describes the role of trust preferred securities issued by bank holding companies during the recent financial crisis and the resulting legislative and regulatory reforms that signal a move away from reliance on these hybrid securities.
- "From the Examiner's Desk: Managing Agricultural Credit Concentrations" provides an overview of best practices relating to agricultural lending and effective management of agricultural credit concentrations to help farm banks manage the inherent uncertainties in the agricultural sector.
- "Insights from the FDIC's Credit and Consumer Products/Services Survey" summarizes recent risk management- and compliance-related survey results that provide insights into how insured institutions are changing operations in response to stressed economic conditions, including tightening underwriting standards and making greater use of third-party providers to offer new and innovative products.
- "Senior Life Settlements: A Cautionary Tale" discusses the development of the senior life settlements market and highlights significant risks associated with these transactions to financial institutions, investors, and consumers, including the potential for fraud.
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